

Rep. Peter Welch (D-Vt.) and Rep. Peter DeFazio (D-Ore.) have introduced legislation to curb energy speculation that is driving oil and gas prices higher.

The Energy Markets Manipulation Prevention Act (H.R. 2869), directs the Commodity Futures Trading Commission (CFTC) to use its existing authority to investigate excessive speculation in energy markets and empowers the CFTC with additional regulatory authority.

Welch introduced the bill as oil prices reached an eight month high of \$72 last week. Gas prices have increased from \$1.64 late last year to \$2.67 today - despite a continued slump in demand. According to the Petroleum Marketers Association, U.S. crude oil stocks have reached their highest levels since 1990, while demand is at a 10-year low.

"It is long past time to drive ruthless energy speculators out of the market. Their trading strategies continue to drive up gas and home heating oil prices, causing Vermonters to suffer in the midst of an already devastating recession," Welch said. "This bill will empower regulators to ensure energy markets reflect the forces of supply and demand - not the whims of Wall Street."

The Energy Markets Manipulation Act is similar to a bill Welch introduced last year, the Energy Markets Act, which passed the House on a vote of 402-19. That bill was not enacted into law after the Senate failed to take action on it. This year's version of the bill additionally subjects firms engaged in energy trading to strict position limits and requires hedge funds trading in energy markets to register with the CFTC.

Companion legislation to H.R. 2869 was introduced in the Senate earlier this month by Sen. Bernie Sanders.